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GOVERNMENT AFFAIRS UPDATE

Associated General Contractors of Ohio's Government Affairs Update provides information about government related matters of interest to the commercial building industry and AGC's advocacy efforts. It is e-mailed to AGC of Ohio members and available online at www.agcoho.com/advocacy.html. Direct questions and comments to Andrea Ashley, Vice President of Government Relations: andrea@agcoho.com or (614) 486-6446.

March 22, 2016

INCUMBENT LAWMAKERS SUCCESSFUL IN PRIMARIES; WILL RETURN AFTER SPRING BREAK

Having returned to their districts over two weeks ago to focus on primary campaigns, Ohio legislators will remain home and return to the Statehouse at end of the month, after the Easter holiday. All but one Ohio legislative incumbents running for reelection survived the Tuesday's primaries. In the 82nd House District, Rep. Tony Burkley (R-Paulding) lost to Defiance businessman Craig Riedel.

Significant legislative action is not expected until after the Governor Kasich's State-of-the-State address on April 6 in Marietta. Given the Governor remains in the presidential race and the November elections, most statehouse insiders don't expect any high-profile, controversial bills to move. A few items that may be on the legislative agenda:

- **Capital Bill:** The biennial funding measure for the state's "bricks and mortar" capital improvements will most likely be introduced in April. The total bond-backed package is expected to be comparable to last General Assembly's \$2.4 billion. Already, much debate and horse trading has taken place behind the scenes on local community projects, despite those projects making up a fraction of the total appropriation amount (last General Assembly local projects totaled \$150 million or 6.25 percent).
- **Residency Mandate Prohibition:** Two companion bills that would prohibit employee residency quotas on public improvements—[HB 180](#) (Maag, R-Lebanon) and [SB 152](#) (Uecker, R-Miami Township)—passed their respective chambers ten months ago, but neither have passed the other chamber. House Leadership stopped a committee vote on [HB 180](#), indicating that the Speaker wanted to add an amendment related to project labor agreements then vote the bill out of committee after the primaries. However, such an amendment would most likely prevent the Senate from concurring and hold-up the bill. AGC hopes the House or the Senate moves on either bill without controversial amendments that could further delay the legislation's passage.
- **Workers' Compensation Subrogation:** [HB 207](#) (Henne, R-Clay Township; McColley, R-Napoleon) passed the House in December and has had one hearing in the Senate Insurance Committee. The AGC-supported bill would allow state fund employers to have a workers' compensation claim related to an automobile accident that is likely to be subrogated by a third party paid from the surplus fund account in the state insurance fund rather than charged to the employer's experience. Hearings are expected to continue in the Senate.

INFOGRAPHICS RELEASED ON STATE BUDGET, CAPITAL APPROPRIATIONS

Legislative Service Commission analysts released [infographics](#) detailing the state's budget numbers, including graphics showing trends in tax receipts, the breakdown of how the General Revenue Fund was spent last year, and details on [capital appropriations spending](#).

BWC OTHER STATES COVERAGE BEGINS

A new workers' compensation coverage insurance option is now available to eligible Ohio businesses for their employees who work in other states. The new offering will simplify workers' comp for these employers, ensuring their employees are protected without the need to manage policies in multiple states with varying laws. As of March 1, employers can apply for this coverage through policies issued by the Ohio Bureau of Workers' Compensation (BWC) through a program with United States Insurance Services (USIS) and Zurich Insurance.

BWC does generally provide coverage for employees working temporarily outside of Ohio, however, complications can arise when the injured worker files a claim in another state. Treatment can be delayed and businesses can be subject to penalties by the other state. Additionally, some states require Ohio employers to obtain workers' compensation coverage (other than BWC's coverage) for *any* work performed there by their employees, regardless of how brief their work is in the other state.

An AGC-supported law enacted last year granted BWC the authority to contract with an insurer to provide this coverage. USIS and Zurich submitted a program proposal and were selected through a request for proposal process. USIS first installed an "other state's coverage" option in Maryland in 1996, and first began its agency relationship with Zurich in 2010.

Employers must have the majority of their business in Ohio to be eligible for the coverage option. Interested employers will apply directly to BWC, which will determine eligibility and the premium cost for the optional coverage. BWC will issue a Zurich policy to cover out-of-state exposures and Zurich will respond to any claims filed out of state.

Learn more: www.bwc.ohio.gov/employer/services/OtherStatesCoverage.asp

BWC BOARD APPROVES 8.6 PERCENT AVERAGE PREMIUM REDUCTION FOR PRIVATE EMPLOYERS

The Ohio BWC Board on March 17 approved an 8.6 percent reduction in overall average rates for the state's private employers. The move will decrease projected annual premiums by \$113 million next year.

In his monthly report to the Board, Buehrer noted that over the past five years, Ohio's private and public sector employers have benefited from \$4.3 billion in rate cuts, rebates and credits. A full accounting of the \$4.3 billion can be found [here](#).

Buehrer also pointed to examples of how BWC has reduced bureaucracy to help employers. The Grow Ohio program has saved start-up businesses \$25 million by providing a 25 percent discount to new policies or early entry into group-experience rating. The one-time-forgiveness program erases penalties for simple mistakes, and the new prospective billing system offers greater flexibility in making payments, while allowing additional premium reductions.

The latest cuts for private employers will begin July 1. The proposed reduction is an overall statewide average. The actual premium paid by individual private employers depends on a number of factors, including the expected future costs in their industry, their recent claims history, and their participation in various programs. Employers are encouraged to visit bwc.ohio.gov to learn about programs that can assist in lowering their workers' compensation costs by making safety improvements in their workplaces.

CLEVELAND AGC HOSTS AGC LEAN CONSTRUCTION EDUCATIONAL SERIES; UNITS 5-7 REMAIN

Lean Construction is based on the holistic pursuit of continuous improvements aimed at minimizing costs and maximizing value on a construction project: planning, design, construction, activation, operations, maintenance, salvaging, and recycling. To help contractors develop the knowledge needed to build lean, AGC of America developed the Lean Construction Education Program. Construction professionals at all experience levels, will learn the building blocks necessary to transform their projects and companies into a lean operating system.

The Cleveland AGC is hosting the entire Lean Construction series, including the Lean exam. Currently Units 5-7 remain. Participants that complete the seven Lean educational units are eligible to take the exam and earn the CM-Lean designation. The educational sessions are being held at the Cleveland AGC office; the dates, times and links for more information and registration are provided below.

- [Lean Design and Pre-Construction \(Unit 6\)](#): March 24 | 12:45pm - 5:00pm
- [Problem-Solving Principles and Tools \(Unit 7\)](#): April 15 | 7:00am - 3:30pm
- [AGC CM-Lean Exam](#): May 2016 | 9:00am - 1:00pm

IRS TO HOST AFFORDABLE CARE ACT WEBINARS

The Small Business Self-Employed Division of the IRS is planning to conduct two Affordable Care Act webinars - one on March 30 and the other on April 6.

The first live webinar, [Affordable Care Act: Applicable Large Employers Information Return Requirements \(IRC 6056\) for Tax Year 2015](#) is scheduled for March 30 at 2 p.m. It will address:

- Filing responsibilities for applicable large employers and government program providers
- Rules for government entity designation, third party and multiple employer plans
- Filing extensions granted for 2015
- Transition relief for 2015
- Plus a live Q&A with IRS Subject Matter Experts

[Affordable Care Act: Employer Shared Responsibility Provisions \(IRC 4980H\)](#) will be held on April 6, also at 2:00 p.m. The second live webinar will address:

- How to determine if you are considered an applicable large employer
- What is the definition of a full-time employee
- Learn the filing requirements and transition relief for 2015
- Plus a live Q&A with IRS Subject Matter Experts

Certificates of completion are being offered and eligible individuals can earn 1 CE credit. Information about other IRS webinars for tax practitioners and small businesses can be found at:

- www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Webinars-for-Tax-Practitioners-1
- www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Webinars-for-Small-Businesses-1

LEARN HOW YOUR COMPANY CAN BE RECOGNIZED FOR ENVIRONMENTAL EXCELLENCE

The Ohio EPA is offering a free webinar on April 20, 2016 [Encouraging Environmental Excellence \(E3\), How to Gain Recognition for Your Organization's Efforts](#) that outlines the agency's E3 recognition program. The webinar will address how companies can apply, silver and gold level recognition and the type of information Ohio EPA needs to complete the review process. Examples of organizations who have received recognition under the E3 program will be reviewed to demonstrate the types of activities Ohio EPA recognizes in this program, and the components of a successful application for the achievement. Presenters: Mike Kelley and Bill Narotski, Ohio EPA, Division of Environmental & Financial Assistance (DEFA). [Learn more about the Encouraging Environmental Excellence \(E3\) program.](#)



ON THE NATIONAL FRONT... *Information courtesy of AGC of America*

TAKE ACTION! URGE CONGRESS TO DELAY BLACKLISTING EXECUTIVE ORDER; BLOCK IMPLEMENTATION OF CRYSTALLINE SILICA RULE



AGC of America issued two Issue Alerts this week asking members to take action. It's as simple as clicking on the links below and filling out your contact information.

[Blacklisting Executive Order Needs to be Stopped](#): President Obama's Blacklisting Executive Order will require federal prime and subcontractors to report violations of 14 federal labor laws and "equivalent" state labor laws during the previous three years, and again every six months, on federal contracts over \$500,000. The Obama Administration is working furiously to implement this rule before leaving office. Essentially, the Blacklisting Executive Order allows federal agency contracting officers to de-facto debar a federal construction prime contractor or subcontractor on a contract-by-contract basis—during either the solicitation process or after contract award—for a single labor law violation. [Take Action!](#)

[OSHA Proposed Rule on Crystalline Silica Needs to be Stopped](#): Silica is most commonly found as sand or Quartz and is ubiquitous on construction sites by virtue of its presence in many commonly used construction materials. Construction activities that can generate/spread silica dust include jackhammering, grinding, tuckpointing, milling, rock crushing, drywall finishing, earthmoving, sawing, and drilling. OSHA is finalizing a rule that would cut in half the silica exposure limit and require operational control methods that are contrary to safety rules and require the purchase of new costly and ineffective equipment before then mandating the expanded use of respiratory protection. [Take Action!](#)

A MESSAGE FROM STEVE SANDHERR, AGC OF AMERICA CEO

Dear AGC Member,

You have an opportunity to help AGC of America and its chapters gauge the reach of our collective networks and enable us to effectively plan for future public policy discussions. By understanding our network of relationships with elected officials, we can build advocacy programs that help advance our positions on any number of issues that directly impact the construction industry.

As employees, voters, volunteers, and contributors to the communities where we live and work, your voices and opinions are extremely influential. Through this brief survey you can provide information on the issues that are important to you, the stakeholders within your network, and the level of advocacy you would be willing to undertake on the association's behalf.

*The [survey](#) will take very little of your time, but your participation will make a **tremendous difference**. There is no right or wrong answer to any of the questions, we simply ask for your honest feedback. Some questions will ask if you personally know certain elected officials representing you at the state or federal level. Please do not feel like you are expected to, as most people will not.*

We greatly appreciate your time and participation. You can begin your survey by following this link: [Take Survey](#)

Should you have technical problems accessing or completing this survey, please contact support by email at support@rapindex.com or by phone at (877) 4Ask-RAP. You can also contact AGC of America staff member David Ashinoff at ashinoffd@agc.org or (202) 547-5013.

Thank you for your time and support!

EPA FINALIZES COST-SAVING REVISIONS TO CURRENT LEAD PAINT RULES

As expected, EPA in February finalized an AGC-supported rule that will allow contractors who are subject to EPA's *current* Lead Renovation, Repair, and Painting (RRP) Program that applies to work in pre-1978 target housing and child-occupied facilities] to complete the required "renovator" re-certification process via distance/online learning, rather than traveling to a more expensive in-seat program. [Read more.](#)

SENATE FINANCE COMMITTEE HOLDS HEARING ON MULTIEMPLOYER PENSION ISSUES

On March 1, the Senate Finance Committee held a [hearing](#) titled, "The Multiemployer Pension Plan System: Recent Reforms and Current Challenges", which examined benefit suspension tools for deeply troubled plans under the Multiemployer Pension Reform Act of 2014; the proposed benefit suspensions for participants in the Central States Pension Fund; the funding challenges of the United Mine Workers Pension Plan; the projected insolvency of the Pension Benefit Guaranty Corporation (PBGC); and the proposed new composite plan design.

AGC has promoted the 2014-encated Multiemployer Pension Reform Act (MPRA) as an important step in reforming the multiemployer pension system and warned that any attempts to roll back this law would impose far greater benefit reductions for participants in troubled plans. AGC has also urged Congress to authorize composite plans, which would modernize retirement benefit plans and create a sustainable system for contributing employers and their workers and retirees. [AGC sent a letter](#) to members of the committee ahead of the hearing as did a broad, [multi-industry coalition](#) of employer organizations.

[Read more about the hearing and AGC's efforts.](#)